

## 2. Human Resources Planning

Human resources planning deals with anticipating staff requirements, taking into account current and likely future demand for skills and the probable availability of individuals with such skills. Human Resources Planning has been defined as a technique to facilitate the acquisition, utilization, development, and retention of a company's human resources. These resources are considered by some to be the organization most valuable assets and therefore need to be deployed with the maximum efficiency and effectiveness.

### Definition

“According to IPM Survey 1988 "Human Resource Planning is a long-term, strategic Planning of human resources concerned more with the development of skill, quality and cultural change than statistical numerical forecasting succession planning and hierarchical structures.

**Walker (1980)** defined Human resource planning as analyzing organization's human resource needs under changing conditions and developing the activities necessary to satisfy these needs.

**Heneman (1989)** described Human resources planning and stated that it is linked with, but not identical to, human resource planning is the manner in which hiring practices are evaluated. Evaluating recruitment and selection practices provides the opportunity for the firm to learn which policies and programs have been demonstrated to be beneficial to the firm and which have not.

According to definition Human Resources Planning (HRP) is a systematic approach to ensure that the right people will be in the right place at the right time. In the short Human Resources Planning involved

- Assessing Current Human resources
- Assessing Future Human resources Needs
- Developing a Programme to meet future human resources needs.

### Objective of Human Resources Planning

1. Making assessment human resource requirements for future and making plans for recruitment and selection.
2. To predict the employee turnover and make the arrangements for minimizing turnover and filling up of consequent vacancies.
3. To progress the knowledge, skill, standards, ability and discipline etc.
4. Determining training and development needs of the enterprise.
5. To minimize imbalances caused due to non-availability of human resources of right kind, right number in right time and at the right place.
6. Ensuring optimum use of existing human resources in the enterprise.
7. Ensuring career planning of every employee of the enterprise and making succession programs.
8. To assess the surplus or shortage of human resources and avoiding unnecessary dismissals.

9. To appraise the surplus or shortage of human resources and take actions accordingly.
10. To maintain pleasant industrial relations by maintaining optimum level and structure of human resource.

### Characteristics of human resource planning:

1. HRP like all planning is forward looking or future oriented.
2. HRP is an ongoing or continuous process.
3. HRP is an integral part of corporate planning.
4. The basic purpose of HRP is to make optimum utilization of an organization's current and future human resources.
5. HRP has both quantitative and qualitative aspects.
6. Human resource plans can be short term or long term.
7. Human resource planning is a systems approach to human resources.
8. Human resource planning is a two-phased process involving calculation about the demand for and supply of human resources.

### Difference between Manpower Planning and Human Resources Planning

Human Resources Planning the HR Manager are concerned with Motivating People. *The idea behind Human Resource Planning is that if the employee is happy in his/her place of work they will put more into their job therefore benefiting the organization in both efficiency and cost.* Human Resource Planning also concentrates largely on staff training believing that the continued development of employees is vital for the future of the company.

*Manpower planning is mainly concerned with forecasting, supply and demand, and matching manpower resources to different areas of the organization.*

### HR Planning Process

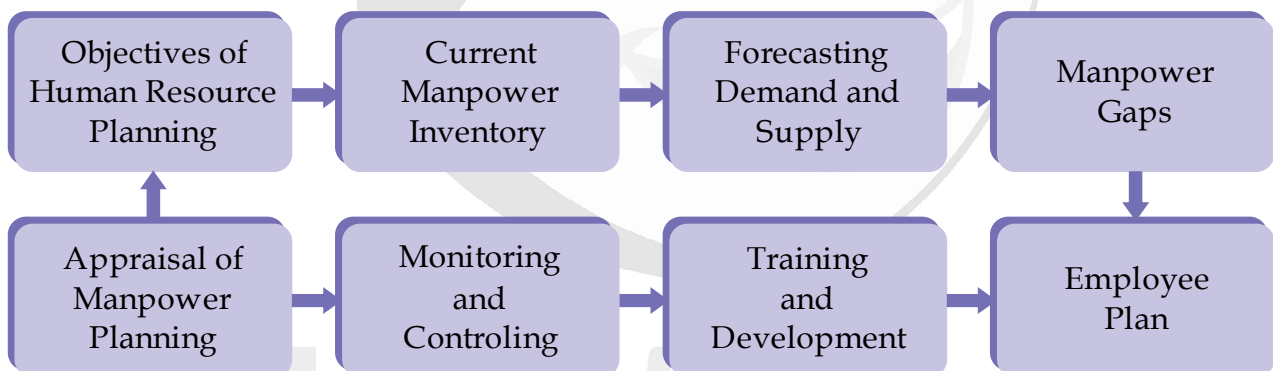


Fig. : Human Resource Planning Process

**1. Determine Objective of Human Resources Planning :** The foremost step in every process is the determination of the objectives for which the process is to be carried on. *The objective for which the manpower planning is to be done should be defined precisely, so as to ensure that a right number of people for the right kind of job are selected.*

The objective to be achieved in future in various fields such as production, marketing, finance, expansion and sales gives the idea about the work to be done in the organization.

**2. Inventory of Present Human Resources :** Human resources requirement can be determined by relating the supply to the demand forecasting. The future vacancies can be

estimated, so as to plan for the manpower from both the internal (within the current employees) and the external (hiring candidates from outside) sources.

**3. Forecasting Demand and Supply of Human Resources :** Demand for Human Resources in an organization should be based on the annual budget and corporate plan. The human resources required at different positions according to their job profile are to be estimated. The available internal and external sources to fulfill those requirements are also measured. There are various methods of Demand forecasting of human resources

- Time series Analysis
- Work study method
- Simple Statistical Method
- Managerial Judgments
- Estimates

**4. Analysis Man Power Gap :** After forecasting the demand and supply, the manpower gaps can be easily evaluated. In case the demand is more than the supply of human resources, that means there is a deficit, and thus, new candidates are to be hired.

Whereas, if the Demand is less than supply, there arises a surplus in the human resources, and hence, the employees have to be removed either in the form of termination, retirement, layoff, transfer, etc.

**5. Employment Plan/Action Plan :** As the organization operate in a changing environment, manpower structures also remain dynamic after identifying gaps. Employment plans to meet the surplus manpower may be redeployment in other departments, retrenchment in consultation with trade union.

On the other hand plan may be finalized either for new recruitment, training, interdepartmental transfer in case of deficit of termination, or voluntary retirement schemes and redeployment in case of surplus.

Some action plan may be :

- Recruitment Plan
- Redeployment Plan
- Redundancy Plan
- Training plan
- Productivity Plan
- Retention Plan
- Promotion Plan
- Transfer Plan

**6. Training and Development :** After the employment plan, the training programmers are conducted to equip not only for the new joined but also for the existing employees who are required to update their skills from time to time.

**7. Monitoring and Control :** Zero based budgeting may be used to encourage managers to justify their action plans. Comparison between the human resource plan and its actual implementation is done to ensure the appropriate action and the availability of the required number of employees for various jobs.

**8. Appraisal of Manpower Planning :** Finally, the effectiveness of the manpower planning process is to be evaluated. Here the human resource plan is compared with its actual implementation to ensure the availability of a number of employees for several jobs.

**Problem and Limitation of Human Resources Planning**

- HRP cannot be a perfect accurate process.
- Certain Uncertainties such as seasonal changes, technological changes and market fluctuations may become constraints to human resources planning which is not easy to right estimate in the face of rapid changes in environment.
- HRP is time consuming and costly exercise.
- Skill development, morale and feeling of motivation may suffer due to such unbalanced approach to human resources planning.



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